

**Supporting Statement for a Request for OMB Review under
The Paperwork Reduction Act**

1. IDENTIFICATION OF THE INFORMATION COLLECTION

1(a) Title and Number of the Information Collection

Title: TSCA Section 8 (a) Preliminary Assessment
Information Rule

EPA ICR No.: ICR #586.08

OMB Control No.: 2070-0054

1(b) Short Characterization

On June 22, 1982, EPA promulgated the generic section 8(a) Preliminary Assessment Information Rule (PAIR) (40 CFR Part 712) under the Toxic Substances Control Act (TSCA) (15 USC 2607). EPA uses PAIR to collect information to identify, assess and manage human health and environmental risks from chemical substances, mixtures and categories. PAIR requires chemical manufacturers and importers to complete a standardized reporting form to help evaluate the potential for adverse human health and environmental effects caused by the manufacture or importation of identified chemical substances, mixtures or categories.

Chemicals identified by the existing chemical review program, any other EPA office or federal agency, for which a justifiable information need for production, use, or exposure-related data can be satisfied by the use of the PAIR is a proper subject for TSCA section 8(a) PAIR rulemaking. Many of the chemical substances, mixtures and categories listed in 40 CFR Part 712 have been recommended by the Interagency Testing Committee (ITC) to EPA for test rule consideration. In most instances, such as in a preliminary risk determination, or in reaching a decision to require testing of a chemical, the information that EPA receives from a PAIR report is sufficient to satisfy its information needs.

2. NEED FOR AND USE OF THE COLLECTION

2(a) Need/Authority for the Collection

TSCA section 8(a) authorizes EPA to promulgate rules under which manufacturers, importers and processors of chemical substances and mixtures shall maintain records and submit reports to EPA. EPA uses this authority to collect data to identify, assess or manage the human health and environmental risks of chemical substances, mixtures and categories.

When this ICR was approved in 1992, it was with the stipulation that the PAIR ICR would be incorporated into the Comprehensive Assessment Information Rule (CAIR) ICR upon completion of amendments to the CAIR rule. However, EPA no longer plans to finalize the CAIR amendments. Therefore the PAIR will continue in effect indefinitely.

2(b) Use/Users of the Data

EPA uses PAIR data to (1) monitor domestic manufacture and/or importation of chemical substances, mixtures and categories, (2) identify possible routes of human or environmental exposure, (3) support regulations designed to prevent possible adverse health effects and (4) support EPA programs. The information provided by PAIR is needed to complete assessments of chemicals of interest and to assist in the development of regulations to control hazardous chemicals.

All EPA program offices are potential users of the PAIR. The information helps EPA evaluate the potential for adverse human health or environmental effects caused by the manufacture and importation of the identified chemical substance, mixture or category. If EPA does not monitor these parameters, adverse human health or environmental effects may occur without EPA's knowledge. Without this information, EPA would not be able to evaluate the need for additional testing or further regulatory action.

Other federal agencies, which require data on the human health and environmental effects of a chemical, use PAIR information. States also have access to public portions of PAIR information. Public interest groups use information reported under the public portions of PAIR.

3. THE RESPONDENTS AND THE INFORMATION COLLECTED

3(a) Respondents/SIC Codes

PAIR's respondents are manufacturers and importers of chemical substances, mixtures or categories. Respondents affected by this collection are included primarily in the following SIC codes:

281 Industrial Inorganic Chemicals
282 Plastic Materials and Synthetic Resins, Synthetic Rubber,
Synthetic and Other Man-made Fibers, except gall
285 Paints, Varnishes, Lacquers, Enamels and Allied Products
286 Industrial Organic Chemicals
287 Agricultural Chemicals
289 miscellaneous Chemical Products
291 Petroleum Refining

3(b) Information Requested

i. Data Collected

PAIR requires manufacturers or importers of the listed chemical substances, mixtures or categories to report to EPA information such as the substances' chemical identification, quantity produced or imported, chemical processes, employee exposure, environmental releases, uses and products. The PAIR reporting requirements are included in the PAIR form and instructions (EPA Form 7710-35; see Appendix 1).

ii. Respondent Activities

A representative respondent would engage in the following activities:

- conduct an initial review of the rule to determine if their company must report;
- familiarize themselves with the PAIR reporting form;
- complete the PAIR reporting form;
- provide trade name notification;
- indicate CBI status if so desired;
- keep a copy for recordkeeping requirements.

The PAIR generally requires one-time reporting and establishes the reporting period for the listed chemical substances, mixtures or categories. Therefore, a reporting schedule is not required.

4. THE INFORMATION COLLECTED - AGENCY ACTIVITIES, COLLECTION METHODOLOGY AND INFORMATION MANAGEMENT

4(a) Agency Activities

The activities routinely conducted by EPA related to the rule development, processing, analysis and storage of the information collected under this rule is as follows:

- chemical nomination, review and selection;
- rule development;
- evaluation of the rule;
- industry/public assistance;
- compliance monitoring;
- data processing for listed chemicals.

4(b) Collection Methodology and Management

The PAIR requires respondents to submit TSCA section 8(a) notices to the Information Management Division, Office of Pollution Prevention and Toxics (OPPT), using EPA Form 7710-35 (see Appendix 1). Information collected under PAIR is logged in and assigned a document control number (DCN). The information is maintained by EPA's Information Management Division.

4(c) Small Entity Flexibility

In accordance with TSCA section 8(a)(1)(B), PAIR contains a small business exemption. A manufacturer or importer is considered a small business if (1) the firm's total annual sales when combined with those of its parent company (if any) are less than \$30 million for the reporting period and (2) its total production and/or importation of the chemical substances, mixture or category, for the reporting period, does not exceed 100,000 pounds (45,000 kilograms) at an individual site owned and controlled by the firm.

The small manufacturer/importer exemptions apply to PAIR, regardless of which office or agency nominates a chemical. In some instances, the EPA Administrator can remove these exemptions on a chemical-specific basis, provided notice and comment rulemaking is utilized. EPA expects that those offices that have a critical need for reporting from small businesses exempt from PAIR reporting will use other mechanisms to gather data.

4(d) Collection Schedule

Information collection occurs after publication of a Federal Register notice establishing the reporting period for the listed chemical substances, mixtures or categories. Respondents are asked to respond once. The Agency has no plans to publish the data collected by PAIR.

5. NON-DUPLICATION, CONSULTATION AND OTHER COLLECTION CRITERIA

5(a) Non-Duplication

PAIR reporting data assist EPA in identifying, evaluating and managing the human health and environmental effects of chemical substances, mixtures and categories. EPA has developed procedures that must be met to ensure that the chemicals added to the rule and the information requested on these chemicals does not duplicate other activities or impose a burden on industry that outweighs the need for the data. These procedures are for rule promulgation and

implementation:

- (1) A continuing evaluation of the information collection and management activities;
- (2) The management of the collected information;
- (3) A chemical nomination, screening and selection process; and
- (4) Technical assistance for persons subject to the rule.

It is unlikely that the information to be reported is duplicative because (1) EPA estimates that each rule will generate only a few notices, (2) the information required by the PAIR is unique to the manufacturer or importer and (3) efforts are made to determine if the information requested is currently in the possession of EPA. The following databases and sources of information are checked:

- the Chemical Screening Branch's Existing Chemical Assessment Tracking System (CECATS), a database containing information on TSCA section 8(e) and For Your Information (FYI) submissions and Chemical Hazard Information Profiles (CHIPs);
- the Toxic Substances Control Act Test Submissions (TSCATS) database, an on-line index to the compiled, unpublished health and safety studies submitted to EPA;
- the Registry of Toxic Effects of Chemical Substances (RTECS), a file containing chemical toxicity data;
- LEXIS/NEXUS, a data network with a wide range of fields including information published in the Code of Federal Regulations (CFR) and BNA's Environmental Reporter and Chemical Regulation Reporter;
- the Toxicology Data Network (TOXNET), run by the National Library of Medicine; and
- the Toxic Substances Control Act section 8(b) inventory data (CICIS) and inventory update data (CUS).

Similar searches are conducted for each list of chemical substances, mixtures or categories added to the PAIR.

Some chemicals in PAIR are referred to EPA by other federal agencies. These agencies conduct searches of their own databases for existing chemical information before referral of any chemical to EPA. Referrals are made to EPA only after a decision has been made that their existing chemical information is inadequate to meet their needs.

5(b) Consultations

On numerous occasions, EPA has published in the Federal Register notices requesting comments on the reporting requirements of TSCA section 8(a) PAIR rules. Industry and environmental groups generally respond to these requests for comment.

The Chemical Manufacturers Association (CMA) has responded to several Federal Register notices. CMA is a nonprofit trade association whose members account for more than 90% of the total U.S. production capacity for basic industrial chemicals. CMA encourages EPA to use PAIR and has not strongly objected to any of the information requirements contained in PAIR.

The Natural Resources Defense Council (NRDC) has also responded to Federal Register notices. NRDC is a national nonprofit environmental organization dedicated to the protection of human health and the environment. NRDC generally urges EPA to adopt a more detailed set of information requirements.

Also, EPA routinely consults with other federal agencies (e.g., OSHA, CPSC, DOT) and exchanges existing chemical information. In addition, some of these agencies have referred chemicals to EPA for collection of certain existing chemical information. These referrals have occurred because their own authorities or information collection requirements have not met their needs for certain existing chemical information.

5(c) Effects of Less Frequent Collection

In most cases, persons are required to report only once for any chemical listed in the PAIR. However, if information received from the initial report indicates human health and environmental risks, then the Agency may require that additional information be submitted, at some future date, to monitor any changes pertaining to that chemical.

The reporting frequency for PAIR cannot be reduced without effectively suspending the information collection requirement. If this were to happen, EPA would not be able to obtain the data to monitor the levels of manufacturing and importation of the listed chemical substances, mixtures or categories, or evaluate their adverse human health and environmental effects.

5(d) General Guidelines

This collection does not exceed any of the Paperwork Reduction Act guidelines at 5 CFR 1320.6.

5(e) Confidentiality and Sensitive Questions

i. Confidentiality

Submitters may designate information reported under PAIR as confidential business information (CBI). EPA has implemented procedures to protect any confidential, trade secret or proprietary information from disclosure. These procedures comply with EPA's confidentiality regulations at 40 CFR Part 2, Subpart B.

ii. Sensitive Questions

This section is not applicable because PAIR reporting does not

include questions of a sensitive nature.

6. ESTIMATING THE BURDEN AND COST OF THE COLLECTION

6(a) Estimating Respondent Burden

Below are summaries of burden hour and financial costs to respondents for this information collection. Details on the substance and cost of each collection activity can be found in the Burden Hour and Cost Estimates for PAIR section 8(a) Reporting (see Appendix 2).

Burden Item	Hours/ Report	Hours/ Site	Total Annual Hours*	Total Annual Costs*
INDUSTRY				
Form familiarization	2.87	7.00	338.66	
Reporting	16.00	38.56	1,888.00	
Trade Name Notification	3.20	7.71	377.60	
CBI Substantiation	4.50	10.85	531.00	
Recordkeeping	2.00	4.82	236.00	
Report Submission	1.00	2.41	118.00	
Industry Totals	29.57	71.35	3,489.26	\$233,404
GOVERNMENT			3,328	\$141,151

* Assumes approximately 118 reports and 48.33 reporting sites per year

1. Form Familiarization

In the 1981 PAIR economic analysis¹, it was estimated that form familiarization would require about 3 hours of effort from managerial personnel and 4 hours from technical personnel for a total of 7 hours per site. The estimate includes the effort for rule familiarization as well as that required to determine if reporting is required.

The per site cost and burden of form familiarization is:

1 Economic Impact and Small Business Definition Analysis for the Final TSCA Section 8(a) Preliminary Assessment Information Rule, Final Report, USEPA/OPPT/EETD, Washington, D.C., 1981 (prepared for EPA by ICF Inc.).

1.23 hours managerial labor @ \$82.09/hour	=	\$100.97
1.64 hours technical labor @ \$61.45/hour	=	\$100.78
Cost per site	=	\$201.75
Burden per report	=	2.87 hours

In order to calculate the cost and burden on a per report basis, the above estimate was multiplied by 0.41, the expected average number of site per report (i.e. 48.33 sites / 118 reports). This resulted in a per report burden of 2.87 hours.

2. Reporting

The 1981 PAIR economic analysis estimated that direct reporting activities would require a total of about 16 hours of effort per report. The relative distribution of reporting burden between managerial, technical and secretarial personnel used in the 1992 PAIR ICR update² has been retained and is reflected below.

The per report cost is:

5.5 hours managerial labor @ \$82.09/hour	=	\$451.50
9.25 hours technical labor @ \$61.45/hour	=	\$568.41
1.25 hours secretarial labor @ \$24.72/hour	=	\$ 30.90
Cost per report	=	\$1,050.81
Burden per report	=	16 hours

Given that each site produces an average of 2.44 reports (i.e. the expected average number of reports per site (118.00 report / 48.33 sites)), the per site burden, then is 2.44 times 16 hours, or 39.04 hours.

3. Trade name Notification

Some companies may report their customers' uses as unknown for more than twenty percent of their volume. These companies must list under Item 10 of the PAIR reporting form the market (trade) name(s) under which they distribute the chemical. This reporting is referred to as "Trade name Notification."³

All commercial manufacturing, importing and processing sites which distribute any of the chemicals subjected to this reporting rule under a Trade name must take steps to insure that information about the downstream processors is submitted to EPA. Firms may chose among several options to meet Trade name notification requirements, namely:

2 Internal EPA memorandum from Nicolaas Bouwes (ETD) to Tess Bateman (ECAD) regarding burden hour and cost estimates for TSCA section 8(a) reporting (dated March 25, 1992).

3 40 CFR 712.28 (July 1, 1993).

- 1) submit to EPA Trade name data for listing in the Federal Register;
- 2) notify all customers of the need to report; or,
- 3) complete the reporting requirements for each customer.

This report assumes that the least-cost alternative (i.e., provide a Trade name list to EPA for inclusion in the Federal Register) would be employed for reporting purposes. However, Trade name notification is not relevant if processor reporting is not required.

Furthermore, this report also assumes that all manufacturers and importers will incur Trade name notification costs, but does not address processors due to the lack of processor data. In the EPA PAIR ICR 1994 update,⁴ the unit burden of Trade name notification was given as 3.2 hours (i.e., 2.2 hours managerial and 1.0 hours secretarial). This unit burden assumption was retained for this analysis. Hence, the unit burden per report is:

2.2 hours managerial labor @ \$82.09/hour	=	\$180.62
1.0 hours secretarial labor @ \$24.72/hour	=	\$ 24.72
Cost per report	=	\$205.34
Burden per report	=	3.2 hours

Given that each site produces an average of 2.44 reports, the Trade name Notification cost per site burden is 2.44 times 3.2 hours, or 7.81 hours.

4. CBI Substantiation

With PAIR, claims of confidentiality can be made by simply checking the appropriate boxes on the PAIR reporting form. It is assumed that most of the time required for PAIR CBI (confidential business information) substantiation involves staff discussion of whether or not to make a CBI claim. The 1986 alternative CAIR⁵ CBI substantiation burden estimates have been used in this analysis with, however, substantial downward adjustments to account for PAIR's less rigorous substantiation requirements (burden in both labor categories has been reduced by one half).

4 "Burden Hour and Cost Estimates for PAIR Section 8(a) Reporting (1994 Update)," internal U.S. Environmental Protection Agency memorandum from Carol Rawie, Economics, Exposure, and Technology Division to Karen Boswell, Chemical Testing and Information Branch, May 16, 1994.

5 The alternative CAIR estimate was developed to account for CAIR-listed chemicals for which respondents were required to answer only a limited number of questions. A discussion of the alternative CAIR burden and cost estimates is found in Section 6.6 (pages 67 - 69) of the Estimated Cost of the Final Comprehensive Assessment Information Rule, Final Report, USEPA/OPPT/EETD, June 1, 1986 (prepared for EPA by Kearney/Centaur).

4.0 hours managerial labor @ \$82.09/hour	=	\$328.36
0.5 hours secretarial labor @ \$24.72/hour	=	\$ 12.36
Cost per report	=	\$340.72
Burden per report	=	4.5 hours

Based on an analysis of CBI claims for reporting to the TSCA Inventory (discussed in the 1986 CAIR economic analysis) only 75 percent of sites or reports are expected to make CBI claims. The burden distributed across all reports is 4.5 times 0.75, or 3.38 hours. Similarly, the cost distributed across all reports is \$340.72 times 0.75, or \$255.54. Multiplying the adjusted report burden and cost by 2.44, in turn, provides the per site burden of 10.98 hours.

5. Recordkeeping

Recordkeeping may require the creation of a new recordkeeping system or the modification of an existing system, the preparation of materials for filing, the filing of materials and the long-term maintenance of the system. The CAIR RIA estimated that recordkeeping costs would require two hours of secretarial time and two hours of technical time per report.

The per report cost of recordkeeping:

1.0 hours technical labor @ \$61.45/hour	=	\$61.45
1.0 hours secretarial labor @ \$24.72/hour	=	\$24.72
Filing materials	=	\$25.00
Cost per report	=	\$111.27
Burden per report	=	2 hours

The per site burden, then is 2.44 times 2 hours, or 4.88 hours.

6. Report Submission

Report submission consists of three elements: preparation and review of a transmittal letter to accompany the submission of a report, photocopying the report and mailing costs.

Based on the CAIR RIA, report submission will require 0.5 hours of secretarial time and 0.5 hours of managerial time per report. The secretarial burden includes the time required to type the transmittal letter and to photocopy and mail the report package. The managerial time is for the preparation of the transmittal letter and the review of the report package before it is submitted to EPA.

The per report cost of report submission:

0.5 hours managerial labor @ \$82.09/hour	=	\$41.05
0.5 hours secretarial labor @ \$24.72/hour	=	\$12.36
Photocopying and mailing	=	\$ 15.00

Cost per report = \$68.41
Burden per report = 1 hour

Given that each site produces an average of 2.44 reports, the report submission per site burden, then is 2.44 times 1 hour, or 2.44 hours.

6(b) Estimating Agency Burden and Cost

Below is a summary of the costs to the federal government for this information collection. Substantive details can be found in the Burden Hour and Cost Estimates for PAIR Section 8(a) Reporting (see Appendix 2).

GOVERNMENT BURDEN AND COSTS SUMMARY

<u>Activity</u>	<u>Annual Cost</u>
Chemical nomination, review and selection	0.25 FTE
Rule development	0.90 FTE
Evaluation of rule	0.05 FTE
Industry/public assistance	0.09 FTE
Compliance monitoring	0.10 FTE
Data processing and system support personnel costs	0.21 FTE
Total FTEs	1.60 FTE
Total hours (@ 2080 hrs/FTE)	3,328 hrs
Loaded Annual Activity Costs/FTE	\$73,502

Subtotal Activity Costs:	\$117,603
Data processing costs for listed chemicals:	\$23,548
TOTAL ANNUAL GOVERNMENT COSTS:	\$141,151

6(c) Bottom Line Burden Hours and Costs/Master Tables

i. The Simple Collection

Total respondent annual burden hours - 3,489
Total respondent annual costs - \$233,404

ii. The Agency Tally

Agency burden hours - 1.60 FTEs - 3,328 hours
Agency annual costs - \$141,151

iii. The Complex Collection

Not applicable to this collection.

iv. Variations in the Annual Bottom Line

Not applicable to this collection.

6(d) Reason for Change in Burden

The annual reporting and recordkeeping burden for industry of 3,489 hours requested in this clearance package for the PAIR is

1,543 hours more than that included in the currently-approved information collection. This increase is due to both an increase in the number of respondents and an increase in the number of forms submitted under PAIR. Based on experience with PAIR in the last three years, EPA estimates that there will be an annual average of 48.33 respondents. This compares with the estimates included in the most recently-approved collection of 28.33 annual respondents.

6(e) Burden Statement

The public reporting and recordkeeping burden for this collection is estimated to average 29.57 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Director, Regulatory Management Division, 2136, U.S. Environmental Protection Agency, 401 M Street S.W., Washington, D.C. 20460; and to the Paperwork Reduction Project (OMB No. 2070-0054), Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

Appendices to the Supporting Statement

Appendix 1 - PAIR reporting form (EPA Form 7710-35)

Appendix 2 - Burden Hour and Cost Estimates for PAIR Section 8(a) Reporting

Appendix 3 - Toxic Substances Control Act (TSCA) Section 8(a)

Appendix 4 - 40 CFR Part 712

Appendix 1

PAIR Reporting Form (EPA Form 7710-35)

[Note: This attachment is not available in the electronic version of this information collection. For a copy of this attachment please contact EPA at the address and telephone number noted in the Federal Register notice.]

Appendix 2

ECONOMIC ANALYSIS TO SUPPORT INFORMATION COLLECTION REQUEST
RENEWAL FOR TSCA SEC 8(a) PRELIMINARY ASSESSMENT INFORMATION RULE

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April 1997

Economic Analysis for the Information Collection Request Renewal
for TSCA Section 8(a) Preliminary Assessment Information Rule

OVERVIEW

This report presents an estimate of the burden and costs expected to be incurred as a result of reporting under the TSCA section 8(a) Preliminary Assessment Information Rule (PAIR) over the next three years. The total annual industry burden and cost for both reporting and recordkeeping is estimated to be 3,489 hours and \$233,404, respectively. These estimates are based on the level of PAIR reporting activity during the past three years. Based on information provided by EPA's Information Management Division (IMD), an average of 48.33 sites submitted a total of 118 reports per year over the past three years. It is assumed that the number of sites and reports for the next three years will be the same as those for the past three years. In general, the analysis uses data and methodological assumptions from both previous economic analyses of the PAIR and a number of economic analyses of the Comprehensive Assessment Information Rule (CAIR) as well as other government data sources. This analysis, also assumes that future annual reporting levels will be similar to the annual reporting levels of the past three years. A detailed description of the methodology used to derive the estimates follows.

RESPONDENT BURDEN

Number of Sites and Reports per Site

The burden hour estimates in this analysis are based on the expected level of PAIR reporting activity. This, in turn, is related to the number of PAIR chemical reports and reporting sites. This report utilizes data from the reporting period 1994-96 and annualizes the number of sites reporting and the number of reports submitted to develop estimates of future burden. During the 1994-96 period, an annual average of 48.33 sites (respondents) submitted a total of 118 reports (forms). Some PAIR reports submitted during the 1994-96 period may have resulted from chemicals added to the PAIR prior to 1994.¹

Chemicals are added to the PAIR (via Federal Register (FR) notices) based on Interagency Testing Committee (ITC) reports as published in the FR. The number of chemicals added to the PAIR recently are not used in estimating burden but are provided as background (Source: USEPA, IMD, Jim Bradshaw (8(a) chemicals)):

Fiscal Yr	No. of Chems. Added to PAIR
1994	101
1995	43
1996	50
Total	194

Sites Reporting and PAIR Reports Submitted
1994-1997

Fiscal Year	Sites Reporting	Reports Submitted
1994	73	220
1995	18	22
1996	54	112

Totals	145	354
3-Yr Average	48.33	118.0
Ratio Forms/Sites	2.44	
Ratio Sites/Forms	0.41	

Source: USEPA, IMD, Darryl Ballard
(8(a) sites & reports)

Unit Burden Estimates

To estimate the burden and costs to industry respondents, several reporting activities (or burden factors) are analyzed. These burden items include: form familiarization; reporting; trade name notification; CBI substantiation; recordkeeping; and, report submission. Each of these activities requires the skills of various labor categories. The section below details each separate activity and presents the estimated labor hours required by each task, by labor category (secretarial, technical and managerial).

1. Form Familiarization

In the 1981 PAIR economic analysis², it was estimated that form familiarization would require about 3 hours of effort from managerial personnel and 4 hours from technical personnel for a total of 7 hours per site. The estimate includes the effort for rule familiarization as well as that required to determine if reporting is required. In order to calculate the burden on a per report basis, the above estimate was multiplied by 0.41, the expected average number of sites per report (i.e., 48.33 sites / 118.00 reports). This results in a per report burden of 2.87 hours.

Estimated Burden Hours per Report for Form Familiarization

Activity	Secretarial	Technical	Managerial	Total
Form Familiarization	0.00	1.64	1.23	2.87

Economic Impact and Small Business Definition Analysis for the Final TSCA Section 8(a) Preliminary Assessment Information Rule, Final Report, prepared for the EPA by ICF, Inc., Washington, DC, 1981.

2. Reporting

The 1981 PAIR economic analysis estimated that direct reporting activities would require a total of about 16 hours of effort per report. The relative distribution of reporting burden between managerial, technical and secretarial personnel used in the 1992 PAIR ICR update³ has been retained and is reflected below.

The per report burden is:

Per Report Burden Hours for Reporting

Activity	Secretarial	Technical	Managerial	Total
Reporting	1.25	9.25	5.50	16.00

Given that each site produces an average of 2.44 reports (i.e. the expected average number of reports per site (118.00 reports / 48.33 sites)), the per site burden, then is 2.44 times 16 hours, or 39.04 hours.

3. Trade Name Notification

Some companies may report their customers' uses as unknown for more than twenty percent of their volume. These companies must list under Item 10 of the PAIR reporting form the market (trade) name(s) under which they distribute the chemical. This reporting is referred to as "trade name notification."⁴

All commercial manufacturing, importing and processing sites which distribute any of the chemicals subjected to this reporting rule under a trade name must take steps to insure that information about the downstream processors is submitted to EPA. Firms may chose among several options to meet trade name notification requirements, namely:

- 1) submit to EPA trade name data for listing in the Federal Register;
- 2) notify all customers of the need to report; or,
- 3) complete the reporting requirements for each customer.

This report assumes that the least-cost alternative (i.e., provide a trade name list to EPA for inclusion in the Federal Register) would be employed for reporting purposes. However, trade name

Internal EPA memorandum from Nicolaas Bouwes (ETD) to Tess Bateman (ECAD) regarding burden hour and cost estimates for TSCA section 8(a) reporting (dated March 25, 1992).

40 CFR 712.28 (July 1, 1993).

notification is not relevant if processor reporting is not required.

Furthermore, this report also assumes that all manufacturers and importers will incur trade name notification costs, but does not address processors due to the lack of processor data. In the

EPA PAIR ICR 1994 update⁵, the unit burden of trade name notification was given as 3.2 hours (i.e., 2.2 hours managerial and 1.0 hours secretarial). This unit burden assumption was retained for this analysis. Hence, the unit burden per report is:

Per Report Burden for Trade Name Notification

Activity	Secretarial	Technical	Managerial	Total
Trade Name Notification	1.00	0.00	2.20	3.20

Given that each site produces an average of 2.44 reports, the trade name notification per site burden, then is 2.44 times 3.2 hours, or 7.81 hours.

4. CBI Substantiation

A company may make claims of confidentiality for any data element contained in their submission. For each CBI (confidential business information) claim, generic information must be supplied for a non-CBI copy of the submission (i.e., a sanitized version must also be submitted). It is assumed that most of the time required for CBI substantiation involves managerial staff discussion of whether or not to make a CBI claim. Furthermore, it is assumed that all firms will review their submissions for CBI content. The 1981 alternative CAIR⁶ CBI substantiation burden estimates have been used in this analysis with, however, substantial downward adjustments to account for the less rigorous substantiation requirements in this reporting rule (burden in both labor categories has been reduced by one half). Thus, four hours of managerial labor and one-half hour of secretarial labor would be required for CBI substantiation. Multiplying the adjusted report burden by 2.44, provides a per site burden estimate of 10.98 hours.

Per Site Burden Estimates for CBI Substantiation

Activity	Secretarial	Technical	Managerial	Total
CBI Substantiation	0.50	0.00	4.00	4.50

"Burden Hour and Cost Estimates for PAIR Section 8(a) Reporting (1994 Update)," internal U.S. Environmental Protection Agency memorandum from Carol Rawie, Economics, Exposure and Technology Division to Karen Boswell, Chemical Testing and Information Branch, May 16, 1994.

The alternative CAIR estimate was developed to account for CAIR-listed chemicals for which respondents were required to answer only a limited number of questions. A discussion of the alternative CAIR burden and cost estimates is found in Section 6.6 (pages 67 - 69) of the Estimated Cost of the Final Comprehensive Assessment Information Rule, Final Report, prepared for EPA by Kearney/Centaur, Alexandria, VA, under EPA Contract No. 68-02-3980, Task Order No. 1, June 1, 1988.

5. Recordkeeping

Recordkeeping may require the creation of a new recordkeeping system or the modification of an existing system, the preparation of materials for filing, the filing of materials and the long-term maintenance of the system. The CAIR RIA estimated that recordkeeping costs would require two hours of secretarial time and two hours of technical time per report.

The estimate of CAIR recordkeeping burden would represent an overestimate of burden if applied to this analysis for two reasons. The amount of information requested under the proposed reporting rule is much less extensive than is typically collected using CAIR. Therefore, the per report recordkeeping burden under the rule is estimated at one hour of secretarial time and one hour of technical time.

Per Report Burden Estimates for Recordkeeping

Activity	Secretarial	Technical	Managerial	Total
Recordkeeping	1.00	1.00	0.00	2.00

The per site burden, then is 2.44 times 2.0 hours, or 4.88 hours.

6. Report Submission

Report submission consists of three elements: preparation and review of a transmittal letter to accompany the submission of a report, photocopying the report and mailing costs.

Based on the CAIR RIA, report submission will require 0.5 hours of secretarial time and 0.5 hours of managerial time per report. The secretarial burden includes the time required to type the transmittal letter and to photocopy and mail the report package. The managerial time is for the preparation of the transmittal letter and the review of the report package before it is submitted to EPA.

Per Report Burden Estimates for Report Submission

Activity	Secretarial	Technical	Managerial	Total
Report Submission	0.50	0.00	0.50	1.00

Given that each site produces an average of 2.44 reports, the miscellaneous the per site burden is 2.44 times 1 hour, or 2.44 hours.

UNIT COSTS TO INDUSTRY

The basic methodology for calculating costs to industry entails multiplying the estimated labor wage rate for each labor category by the number of burden hours estimated to be required for PAIR reporting activities. The derivation of labor categories and loaded labor wage rates utilized here have been extracted from previous economic analyses.⁷ The three labor categories identified and their 1996 loaded hourly wage rates are as follows:

LABOR CATEGORY	LOADED HOURLY RATE
Managerial	\$82.09
Technical	\$61.45
Clerical	\$24.72

These labor costs are multiplied by the estimated burden hours per activity and added to any non-labor costs to develop total unit costs per report. It is estimated that recordkeeping and report submission tasks will require expenditures other than labor. Recordkeeping is estimated to require an additional \$25 per report for miscellaneous filing materials while report submission is estimated to require an additional \$15 per report for photocopying and mailing expenses. Finally, unit costs per report are multiplied by the number of reports per site per year to arrive at unit costs per site (respondent costs).

Calculations of unit costs per report for each activity are presented below.

1. Form Familiarization:

1.64 hours @ \$61.45/hr.	=	\$100.78
1.23 hours @ \$82.09/hr	=	\$100.97
Total		\$201.75

2. Reporting:

1.25 hours @ \$24.72/hr	=	\$30.90
9.25 hours @ \$61.45/hr	=	\$568.41
5.50 hours @ \$82.09	=	\$451.50
Total		\$1,050.81

3. Trade Name Notification:

1.00 hours @ \$24.72/hr	=	\$24.72
2.20 hours @ \$82.09/hr	=	\$180.62
Total		\$205.34

The primary reference is: William Silagi, Wage Rates for Economic analyses of Rulemakings Under EPCRA Section 313, U.S. Environmental Protection Agency/OPPT/EETD/ RIB, Washington, D.C., November 12, 1993, Appendix A. The secondary reference is: Economic Impact Analysis of the Proposed Significant New Use Rule for Methylcyclopentane, Draft Report, USEPA/OPPT/EETD/RIB, January 21, 1997.

4. CBI Substantiation:

0.5 hours @ \$24.72/hr	=	\$12.36
4.0 hours @ \$82.09/hr	=	\$328.36
Total		\$340.72

5. Recordkeeping:

1 hour @ \$24.72	=	\$24.72
1 hour @ \$61.45	=	\$61.45
Filing materials		\$25.00
Total		\$111.27

6. Report Submission:

0.5 hours @ \$24.72	=	\$12.36
0.5 hours @ \$82.09	=	\$41.05
Photocopying and mailing		\$15.00
Total		\$68.41

The unit cost per report and unit cost per site are summarized in the following table.

REPORT ACTIVITY	Secretarial	Technical	Managerial	Other Direct Costs	Cost per Report	Cost per Site (Costs per report) x (reports per site per year)
Form Familiarization	\$0	\$100.78	\$100.97	\$0	\$202	\$ 492
Reporting	\$30.90	\$568.41	\$451.50	\$0	\$1,051	\$ 2,564
Trade Name Notification	\$24.72	\$0	\$180.60	\$0	\$205	\$ 501
CBI Substantiation	\$12.36	\$0	\$328.36	\$0	\$341	\$ 831
Record keeping	\$24.72	\$61.45	\$0	\$25	\$111	\$ 271
Report Submission	\$12.36	\$0	\$41.05	\$15	\$68	\$ 167
TOTAL UNIT COSTS					\$1,978	\$ 4,827
TOTAL COSTS^a					\$233,289 ^b	\$233,404 ^c

^aTotal costs are not equal due to rounding.

^bTotal costs = (\$1,978) x (number of sites reporting per year = 48).

^cTotal costs = (4,827) x (number of reports per year = 118).

Total costs per year are calculated by multiplying either the per unit cost per report (\$1,978) by the number of reports expected per year (118) or the per unit cost per site (\$4,827) by the number of sites reporting per year (48). Total industry costs per year, therefore, is estimated to be **\$233,000**.

GOVERNMENT BURDEN AND COSTS

The estimated annual cost of the PAIR to the Federal government is provided on an annual basis. The 1997 cost of a full time equivalent employee (FTE) at EPA was provided by the Office of Personnel Management website (<http://www.opm.gov>). (One FTE is equivalent to 2,080 hours per year.) Data processing costs have been updated from 1991 to 1996 dollars using the Council of Economic Advisor's Implicit GDP Price Deflator (97.3 and 109.7, respectively).⁸

The 1994 PAIR ICR update estimated that there would be 70 reports submitted annually. This analysis assumes that an annual average of 118 reports will be submitted based on historical submissions over the *three* year period of 1994 through 1996. The cost for data processing from the previous PAIR ICR was adjusted to reflect this PAIR's expected number of report submissions.⁹ Personnel costs associated with industry assistance and data processing activities have been similarly adjusted.¹⁰ These adjustments were carried through in this analysis.

The table presented below summarizes the government's activities in developing and administrating the PAIR. The required FTEs per activity are retained from the 1992 PAIR ICR update except where noted. Therefore, it is estimated that the annual cost to the Federal Government will be \$23,548 plus 1.60 FTEs. At an estimated \$73,502 per FTE,¹¹ the total of 1.60 FTEs will cost EPA

GDP implicit price deflators were obtained from Survey of Current Business (August 1993) for years prior to 1993. For the year 1996, the U.S. Department of Commerce's Bureau of Economic Analysis (202-606-9900) was contacted for an estimate.

Data processing costs for the 1992 PAIR ICR update was estimated to be approximately \$177 per report. Adjusting this number with the GDP implicit price deflator for 1996/1991 yields an adjusted data processing cost of \$199.56 per report (i.e., $\$177 * (109.7 / 97.3) = \199.56). Thus, the total annual data processing cost is \$24,081 (i.e., $\$199.56/\text{report} * 120.67$ annual reports).

It has been derived from the 1989 PAIR ICR update that industry/public assistance required approximately 1.5 hours per report (or 0.00072 FTEs per report) and data processing/system support personnel required about 3.75 hours per report (or 0.0018 FTEs per report).

The annual costs per FTE are derived by multiplying the annual pay rate by 1.6 (the benefits multiplication factor). The multiplication factor used is recommended in EPA's Office of Policy, Planning, and Evaluation's Instructions for Preparing Information Collection Requests (ICRs) (June 1, 1992). An EPA internal phone call between Carol Rawie (OPPT/EETD/RIB) and Carl Koch (OPPE/RMD/IMB) on May 3, 1994, indicated that the 1.6 factor included not only benefits but also overhead.

An annual pay rate of \$45,939 is used and reflects a GS-12 (level 1) salary as of January 1997. This GS-12, Step 1, assumption was recommended by EPA. (Internal EPA phone call between Carol Rawie (OPPT/EETD/RIB) and Ron Carlson (OPPT/OPME) on April 25, 1994).

\$117,603 in salaries, bringing the total costs to the Federal government to \$141,151 annually (i.e., \$23,548 + \$117,603).

Government Burden and Costs

<u>Activity</u>	<u>Annual Cost</u>
Chemical nomination, review and selection	0.25 FTE
Rule development (an estimated 2 ITC (automatic-final) rules; 1 non-ITC proposed rule; and 1 non-ITC final rule; economic analyses; etc.)	0.90 FTE
Evaluation of rule (Office of Policy, Planning and Evaluation; Office of General Counsel; workgroups; etc.)	0.05 FTE
Industry/public assistance (answering questions regarding rules) (see <u>Footnote 10</u>)	0.09 FTE
Compliance monitoring	0.10 FTE
Data processing and system support personnel (see <u>Footnote 10</u>)	<u>0.21 FTE</u>
Total FTEs	1.60 FTE
Total hours (@ 2080 hrs/FTE)	3,328 hrs
Loaded Annual Activity Costs/FTE	\$ 73,502
	=====
SUBTOTAL ACTIVITY COSTS	\$117,603
Data processing costs for listed chemicals (cost includes data storage (see <u>Footnote 9</u>))	\$ 23,548
	=====
TOTAL ANNUAL GOVERNMENT COSTS	\$141,151

TOTAL BURDEN AND COSTS

The total burden and costs of the PAIR reporting requirements are detailed below:

<u>Burden Item</u>	<u>Hours/ Report</u>	<u>Hours/ Sites</u>	<u>Total Annual Hours</u>	<u>Total Costs</u>
INDUSTRY				\$233,404
Form Familiarization	2.87	7.00	338.66	
Reporting	16.00	38.56	1,888.00	
Trade Name Notification	3.20	7.71	377.60	

Thus, the annual, fully-loaded cost per FTE is \$73,502 (or \$45,939 x 1.6).

CBI Substantiation	4.50	10.85	531.00
Recordkeeping	2.00	4.82	236.00
Report Submission	<u>1.00</u>	<u>2.41</u>	<u>118.00</u>
Annual Burden Hours	29.57	71.35	3,489.26

GOVERNMENT			\$141,151
Annual Burden Hours		3,328	
TOTAL		6,817	\$374,555

REASON FOR CHANGE IN BURDEN

The annual reporting and recordkeeping burden for industry of 3,489 hours requested in this clearance package for the PAIR is 1,543 hours more than that included in the currently-approved information collection. This increase is due to both an increase in the number of respondents and an increase in the number of forms submitted under PAIR. Based on experience with PAIR in the last three years, EPA estimates that there will be an annual average of 48.33 respondents. This compares with the estimates included in the most recently-approved collection of 28.33 annual respondents.

BURDEN STATEMENT

The public reporting and recordkeeping burden for this collection is estimated to average 29.57 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Director, Regulatory Management Division, 2136, U.S. Environmental Protection Agency, 401 M Street S.W., Washington, D.C. 20460; and to the Paperwork Reduction Project (OMB No. 2070-0054), Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

Appendix 3

Toxic Substances Control Act (TSCA) Section 8(a)

[Note: This attachment is not available in the electronic version of this information collection. For a copy of this attachment please contact EPA at the address and telephone number noted in the Federal Register notice.]

Appendix 4

40 CFR Part 712

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